

Article - Transportation

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§18–106.

(a) (1) In this section the following words have the meanings indicated.

(2) “Authorized driver” means a person, other than the renter, who uses or operates a rental vehicle with the permission of the motor vehicle rental company.

(3) “Motor vehicle rental company” has the meaning stated in § 17–104.3 of this article.

(4) “Rental agreement” has the meaning stated in § 17–104.3 of this article.

(b) (1) Except as provided in paragraph (2) of this subsection, this section applies only to:

(i) Rental vehicle transactions originating in the State; and

(ii) Third-party claims against a renter or an authorized driver of a rental vehicle arising out of the security requirement under § 18–102(a)(2) of this subtitle or § 17–104(e) of this article.

(2) This section does not apply to a replacement vehicle under § 18–102(a)(2) of this subtitle or § 17–104(e) of this article.

(c) A motor vehicle rental company shall be responsible for providing the required security under § 17–103 of this article on a primary basis for a third-party liability claim if the motor vehicle rental company:

(1) Fails to deliver notice of the claim;

(2) Fails to cooperate with the insurer;

(3) Prejudiced the handling of the third-party claim before the insurer assumed the handling of the claim;

(4) Has provided liability, property damage, uninsured motorist, or other coverage to the insured that is applicable to the third-party claim as a benefit under either:

- (i) The rental agreement; or
- (ii) An insurance policy sold to the renter in connection with, and incidental to, the rental of the motor vehicle; or
- (5) Fails to provide the notices required under § 18–102(a)(3) of this subtitle or § 17–104(f) of this article.
- (d) A motor vehicle rental company shall be responsible for providing the required security under § 17–103 of this article on a primary basis for a third–party liability claim if the driver of the rental vehicle is an individual who is not the renter or an authorized driver.

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